

# Metropolitan Wastewater Department

## Proposed Sewer Rate Adjustment, Reversal & Credit Q&A



### Background

On May 18, 2007, the San Diego County Superior Court approved a class action lawsuit settlement affecting sewer rates for the City of San Diego. The lawsuit alleged that the City had overcharged Single Family Residential customers for sewer services while undercharging other customers until rates were revised in October 2004. The settlement requires the City to reimburse Single Family Residential customers approximately \$40 million over the next four years. The San Diego City Council will hold a public hearing to consider proposed adjustments to sewer rates on October 8, 2007 in Council Chambers at 202 'C' Street 12<sup>th</sup> Floor.

### Quick Facts about the Proposal

- Sewer Rates would be temporarily adjusted for all sewer customers
- Most SFR Customers would qualify for a rate reversal and a credit
  - Written protest against the proposal may be submitted

#### Q: Are my rates being adjusted?

A: If the proposal is implemented, rates will be adjusted for all sewer customers.

#### Q: How will my rates be adjusted?

A: If the proposal is implemented, sewer rates will be adjusted in two ways:

- All City sewer customers will see an increase to their existing sewer rates by 3.05% starting November 1, 2007. Another 3.05% increase to existing sewer rates will start on May 1, 2008.
- “Eligible” City Single Family Residential customers only will see the two increases reversed and a share of the settlement in the form of a monthly credit appear on their bill.

#### Q: Who qualifies for a rate reversal and credit?

A: “Eligible” Single Family Residential customers.

#### Q: What is an “eligible” Single Family Residential customer?

A: An “eligible” Single Family Residential customer is someone who received sewer service to their property within the ten year period prior to October 1, 2004. Single Family Residential customers who began sewer accounts after that date will not receive a rate reversal or a monthly credit.

#### Q: How much will the monthly credit be?

A: If the proposal is implemented, the monthly credit is currently estimated to be \$3.25 per month for about four years.

#### Q: Can I have the credit in one lump sum?

A: No. If the proposal is implemented, the credit will be dispersed monthly over the next four years based on the total amount to be distributed per the Settlement Agreement.

**Q: I live in a condo or apartment will I receive the credit, if the proposal is implemented?**

A: It depends. Do you have your own water meter? If not, you are a Multi-family Residential Customer and will not receive a credit. However, if you have your own water meter and you qualify as an “eligible” Single Family Residential Customer you will receive a credit.

**Q: Why are only “eligible” Single Family Resident Customers getting a credit?**

A: The settlement requires the City to reimburse “eligible” Single Family Residential customers approximately \$40 million over the next four years as they are the class of customers that were allegedly overcharged as stated in the lawsuit.

**Q: How much will my November bill be if this proposal is implemented?**

A: It depends upon your customer classification. To calculate your estimated November bill, see “Rates Calculator” in the bubbles below.

**Q: What do I do if I want to protest the proposed rate increase?**

A: You can choose to write a letter or use the coupon found on page four of the “Notice of Public Hearing,” a copy of which is being mailed to all City sewer customers in early August. Each protest must identify the affected property (by assessor’s parcel number or street address) and include the signature of record property owner or sewer customer. Written protests must be submitted to the City Clerk, Mail Station No. 2P, City Administration Building, 202 ‘C’ Street, San Diego, CA 92101, before the end of the public hearing which is scheduled for 2 p.m., October 8, 2007. Email protest and oral comments do not qualify as formal protests.

**Q: Where can I get more detailed information?**

A: Examples of projected bills for typical residential and commercial customers can be found online at [www.sandiego.gov/mwwd](http://www.sandiego.gov/mwwd).

**Q: Is there someone else I can talk to about this information?**

A: Metropolitan Wastewater Department staff would be happy to assist you. Please call their Public Information Office at (858) 292-6484.

***November 2007  
Rates Calculator***

*“Eligible” SFR Customers*

Find the sewer fee amount listed on your combined water and sewer bill. Subtract \$3.25 to estimate your November 2007 sewer fee.

***November 2007  
Rates Calculator***

*“Not Eligible” SFR, MFR & Commercial  
Customers*

Find and add the sewer base fee and service charge amounts listed on your combine water and sewer bill. Multiply that amount by 1.0305 to get an estimate of what your new sewer rate will be starting in November 2007.

**For more information**

Contact Metro Wastewater’s Public Information Office  
(858) 292-6484  
[www.sandiego.gov/mwwd](http://www.sandiego.gov/mwwd)